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SENSITIVE
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SUBJECT: INDONESIA-2009 INTERNATIONAL NARCOTICS CONTROL STRATEGY
REPORT (INSCR) PART 1, DRUGS AND CHEMICAL CONTROL

REF: STATE 097309

¶1. (SBU) This message is Sensitive, but Unclassified - Please handle accordingly.

¶2. (SBU) The following is the draft text of the 2009-2010 Indonesia International Narcotics Control Strategy Report (INSCR) Part 1, Drugs and Chemical Control for Indonesia. Please treat as Sensitive, but Unclassified until the report is finalized for submission to Congress.

Begin text:

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¶I. Summary

The most drastic and positive counternarcotics development for 2009 in Indonesia--the fourth largest country in population in the world--was the new narcotics law signed by the Indonesian President on October 12, 2009, which established the Indonesian National Narcotics Board (BNN) as an independent law enforcement agency. The law includes drastically expanded investigative powers for BNN, including direct engagement with prosecutors to initiate prosecutions, and the authority to conduct wiretapping, and ability to reach out internationally to initiate and conduct transnational investigations. Indonesia's new counternarcotics law also grants BNN more authority to investigate and punish illegal trafficking of precursor chemicals, effective January 1, 2010.

Indonesia is a producing, consuming, and transit country. Previously, clandestine MDMA (Ecstasy) and methamphetamine laboratories were large-scale, but in 2009, the clandestine laboratory operations that were seized were smaller in size. In 2009, Indonesia increased seizures of smaller laboratories with smaller outputs. This indicates manufacturing organizations are downsizing their laboratories, most likely in response to Indonesian law enforcement's effective seizures of large production laboratories. This development indicates manufacturing organizations recognize they have much more to lose if large quantities of their products are seized at any one given location. There are also indications that laboratories are being moved outside large metropolitan areas to rural areas where law enforcement is not as prevalent.

Coastlines and a lack of border and port security resources remain an issue for counternarcotics efforts. However, BNN and the Indonesian Navy (TNI-Navy) established a memorandum of understanding (MOU) in November 2008 to conduct joint maritime counter-narcotics

operations. In December of 2009, BNN exercised the MOU with TNI-Navy, Customs, Immigration, Quarantine and Fisheries by putting 26 ships under the command and control of BNN for 7 days patrolling Indonesia's maritime borders from Aceh to Pontianak. Further joint maritime operations are scheduled for 2010.

Methamphetamine, ketamine and Ecstasy are the main narcotics smuggled in via waterways. Heroin, methamphetamine, ketamine and Ecstasy are imported via airways. The majority of marijuana trafficking is conducted by land transportation from Aceh to other areas of Indonesia through the Sunda Straits via waterway.

Some remote seaports on the Malacca Strait are manned by a handful of customs and BNN personnel. Inadequate health care, demand reduction and rehabilitation programs remained an issue. The amount of methamphetamine imported into Indonesia and the number of methamphetamine laboratories in Indonesia indicated ready availability of methamphetamine, which is believed to be the most abused drug in Indonesia.

The Indonesian counter narcotics code is sufficiently inclusive to cover arrest, prosecution and adjudication of narcotics cases. Nevertheless, corruption in Indonesia is an on-going challenge to the rule of law. The level of political corruption in Indonesia seriously limits the effectiveness of narcotics law enforcement and poses the most significant threat to the country's counter drug strategy. Upon the commission of BNN as a law enforcement entity, as noted above, BNN received authority to conduct narcotics-related investigations; this will greatly increase BNN's effectiveness in dismantling large drug trafficking organizations.

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II. Status of Country

The majority of pseudoephedrine imported into Indonesia is from China. Large-sized clandestine laboratories seized in Indonesia are becoming a thing of the past, and smaller-sized laboratories are becoming prevalent in Indonesia. Laws are still lax, but beginning in 2010, agencies will have more authority to regulate the importation of precursor chemicals. Numerous legitimate large international pharmaceutical and chemical corporations continue to operate throughout Indonesia.

The scale of amphetamine type stimulant (ATS) manufacturing in Indonesia Q`fXE:phetamine.

Chinese and Taiwanese importing, distributing and manufacturing organizations remain the most significant drug trafficking threat in Indonesia.

Iranian drug trafficking organizations (DTOs) that smuggle large amounts of methamphetamine into Indonesia via Iranian couriers are an emerging threat. During October 19-20, 2009 alone, Indonesian customs seized approximately 50 kilograms of 3C{i~QQ a warrant. Corrupt investigators are suspected of initiating investigations to elicit bribes from suspects. Corrupt prosecutors in narcotics cases reportedly request bribes for a reduction in charges with defense attorneys serving as facilitators.

Unauthorized wire taps conducted by the Indonesian National Police against the Anti-Corruption Commission came to light in mid-2009, inflaming the public's perception of the police and judicial system as corrupt.

Agreements and Treaties. Indonesia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances and the 1961 UN Single Convention as amended by its 1972 Protocol. Indonesia is a party to the UN Convention against Corruption and has signed but not yet ratified the UN Convention against Transnational Organized Crime.

Cultivation/Production. The production of MDMA, methamphetamines, and other synthetic drugs is one of the most significant drug threats in Indonesia. Indonesian and Chinese trafficking syndicates exploit Indonesia's lax precursor chemical controls, weak law

enforcement, and political corruption to establish MDMA and methamphetamine laboratories capable of producing multi-hundred kilogram quantities.

These syndicates secure precursor chemicals from China. Previously, production syndicates relied upon chemists trained in the Netherlands for the production of MDMA (Ecstasy), as well as chemists from Taiwan and Hong Kong for the production of crystal methamphetamine. However, recent laboratory seizures by Indonesian law enforcement showed that Indonesians and Chinese-Indonesians are capably taking the role of chemists.

A MDMA and methamphetamine laboratory seizure took place in Depok, West Java on May 4, 2009. This two-month-long investigation was initiated by the Metro Jaya Police Department. As a result of this investigation, 4 tons of various chemicals, 30 kilograms of methamphetamine, 128 kilograms of ephedrine and 1700 Ecstasy pills were seized, and 15 people were arrested. Police officials estimated that if all the raw materials in the laboratory were used, 11.5 million Ecstasy pills could have been produced.

Marijuana is cultivated throughout Indonesia; the equatorial climate of Sumatra allows for year-round growing and cultivation of marijuana. Large-scale (greater than 20 hectares) marijuana cultivation occurs in the remote and sparsely populated regions of the province, often in mountainous areas. Regional marijuana cultivation syndicates are believed to be exploiting police

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use for the well-to-do in Indonesian society and is readily available at high-end clubs in Jakarta. Officials suspect cocaine is being transshipped through Indonesia via commercial air carrier en route to Australia and Japan, with small user amounts remaining in Indonesia for use by Western tourists.

III. Country Actions Against Drugs In 2009

Policy Initiatives. Indonesia completed an extensive overhaul of its national narcotics legislation on 12 October 2009, giving BNN national policy making and enforcement authorities in the areas of prevention, rehabilitation, law enforcement, legal affairs and cooperation with prosecutors, and community empowerment and outreach. BNN will direct its law enforcement efforts against larger national and international drug syndicates while the national police will continue to handle local and street level drug crimes.

BNN is currently expanding offices to all 32 provinces, and 482 cities and municipalities. In addition, BNN is expanding its staff and law enforcement agents for current strength of approximately 500 to 5000 in the next 3 to 5 years. BNN currently funds and runs a drug rehabilitation center for approximately 200 patients and is in the process of building a national narcotics training academy funded by the U.S.

According to BNN, the GOI has established policies and strategies in a "goal-oriented rolling Plan of Action", consisting of three-year stages. These stages will continue until Indonesia reaches a drug-free condition, hopefully by 2015. The primary policy goals of Indonesia's National Drug Plan, as defined by the Government of Indonesia, are: 1) To minimize the level of illness, disease, injury and premature death associated with the use of illicit drugs; 2) To minimize the level and impact of drug-related crime and violence within the community; and 3) To minimize the loss of productivity and other economic costs associated with illicit drug use.

Law Enforcement Efforts. Both the Indonesian National Narcotics Board (BNN) and the Indonesian National Police (INP) Narcotics and Organized Crime Directorate continued to improve their ability to investigate and dismantle national and international drug trafficking syndicates. BNN and the Narcotics Directorate have become increasingly active in regional targeting conferences designed to coordinate efforts against transnational drug organizations.

BNN and the Indonesian National Police, Narcotics and Organized Crime Directorate, have a good working relationship with European

(French, Belgium, Netherlands) and regional (Thailand, Malaysia, Singapore, Philippines, Australian, Japan, Korea) counterparts and participate in joint programs and investigations with the Department of Justice Drug Enforcement Agency (DEA) and International Criminal Investigative Training Assistance Program (ICITAP), JIATF West, and other U.S. agencies.

Per BNN statistics for the period of January through June 2009, there were a total of 17,910 drug-related arrests. Indonesia seized the following amounts during the time period: 4,545 kilograms of marijuana, 2 kilograms of cocaine, 817 kilograms of Ecstasy, and 3,724 kilograms of methamphetamine.

The Indonesian Narcotics Control Board (BNN) continues to strive to improve interagency cooperation in drug enforcement, interdiction, and precursor control. In 2005, under the auspices of BNN, the U.S.-sponsored Interagency Counter Drug Operations Center (JIACDOC) was opened in Jakarta. JIACDOC is an Indonesian intelligence and operations center focused on counternarcotics and transnational crime intelligence collection and interdiction. It is jointly staffed by the Indonesian National Police, Indonesian Customs, Indonesian Immigration and other Indonesian government organizations.

Currently, JIACDOC is manned by approximately 60 personnel. Under the new legislation, JIACDOC will expand to become the Indonesian National Narcotics Board Intelligence center with a staff of approximately 300 personnel in the next 3-5 years. In addition, six JIACDOC outstations were established at key airports and seaports this year to provide BNN and its interagency partners with a

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criminal information management network to consolidate information collection, investigations, and enforcement operations from the national to local level.

The INP Narcotics and Organized Crime Directorate continues to improve its ability to investigate and dismantle international drug trafficking syndicates, as well as cooperate with other international law enforcement agencies. The Narcotics Directorate has become increasingly active in regional targeting conferences designed to coordinate efforts against transnational drug and crime organizations. Members of the Directorate, BNN and Indonesian Customs will attend the 2010 International Drug Enforcement Conference scheduled to take place in Rio De Janeiro, Brazil.

Corruption. Indonesia has laws against official corruption and a somewhat-effective anti-corruption commission. Despite these laws, corruption in Indonesia is endemic. As a matter of government policy and practice, the GOI does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal transactions.

Corruption of Indonesia's judiciary is pervasive and poses a significant threat to the country's counter drug strategy. Indonesian prosecutors' low wages encourage official corruption and explain a low level of motivation. The average salary of an Indonesian prosecutor with 15 years of seniority is approximately \$400 a month. Furthermore, corrupt police and investigators reportedly abuse their authority by conducting illegal searches, as Indonesian courts do not exclude evidence obtained without a warrant. Corrupt investigators are suspected of initiating investigations to elicit bribes from suspects. Corrupt prosecutors in narcotics cases reportedly request bribes for a reduction in charges with defense attorneys serving as facilitators.

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limitations by locating cultivation sites in remote and high elevation areas where there is little law enforcement presence.

The Indonesian National Police report that marijuana trafficking in Indonesia is controlled by Indonesian syndicates based out of Jakarta. The majority of marijuana cultivated in Indonesia is consumed domestically and typically is not trafficked to the international market. Although cocaine seizures continue to occur in major Indonesian airports, the market for cocaine in Indonesia is believed to be very small.

Historically, MDMA has been smuggled into Indonesia from sources in the Netherlands or produced in China and smuggled to Indonesia by Chinese organized crime syndicates based in Hong Kong. However, in recent years, importation has been unnecessary as there has been large-scale MDMA and methamphetamine production in Indonesia. MDMA and methamphetamine produced in Indonesia is trafficked both domestically and internationally.

Demand Reduction. The GOI views drug abuse and narcotics trafficking as a major long-term threat to social and political stability. They are also viewed as anti-Islamic activities. Government agencies continue to promote counternarcotics abuse and HIV/AIDS awareness campaigns through various media outlets. BNN is responsible for the development of Indonesia's demand reduction programs and continued a nation-wide anti-narcotics campaign.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Indonesia and the U.S. maintain excellent law enforcement cooperation in narcotics cases. In 2009, DEA, in cooperation with the International Law Enforcement Academy, provided a narcotics commander's course and training in clandestine laboratories, chemical control, and basic intelligence. DEA also provided training in airport interdiction and practical applications.

USPACOM JIATF West funded and supervised the construction of a 200-person classroom for Indonesia's national counter narcotics academy for 2009, and will continue to support additional academy facilities in 2010.

JIATF West personnel trained BNN, customs, immigration and marine police officers in basic computer and server administrator training, basic law enforcement intelligence training, and basic analyst's notebook training.

The Road Ahead. The U.S. continues to work with the INP and BNN to standardize and computerize reporting methods related to narcotics investigations and seizures, develop a drug intelligence database, and build an information network designed to connect to the major provinces of Indonesia. This will permit all Indonesian law enforcement agencies to contribute to and access the database for investigations. Also, the U.S. will work with the INP and BNN to further expand the scope and impact of narcotics investigations targeting the large-scale production of methamphetamine and MDMA in Indonesia.

With the assistance of DEA, JIATF West is funding and helping plan the construction of the new national counter narcotics academy. The academy is expected to open in August of 2010 (construction began in November 2009). It is expected that the academy will evolve into a regional counterdrug center that will benefit Indonesian interagency and regional partners.

In 2010, DEA is scheduled to officially open up a DEA office in Jakarta to include one Country Attache, one Special Agent and one Administrative Assistant.

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End text.

13. (U) Mission point-of-contact for this report is Poloff Brigid R. Weiller: weillerbr@state.gov

HUME